

BOARD of COUNTY COMMISSIONERS
Interoffice Memorandum

DATE: February 10, 2004

TO: Board of County Commissioners

FROM: Tony Grippa, Commissioner, District 4

SUBJECT: Additional Information on Downtown Community Redevelopment Area District

In effort to expedite a resolution with the City Commission on the issue of the Downtown Community Redevelopment Area District, I am offering an Interlocal Agreement draft for Board consideration (Attached). I am requesting that the Board direct the County Attorney to review this draft as to form and to send it to the City Commission for consideration. I am also asking that Section 4, (a) - (h) be adopted by the Board for our upcoming conflict resolution mediation session.

The draft Interlocal Agreement is a result of good faith negotiations between myself and City Commissioner Mark Mustian. While all of the issues have not been agreed to, I think the draft sets the stage for a fair and equitable agreement on a downtown CRA district that this Board could enthusiastically endorse. Highlights of the draft include the following:

- A recognition by both parties that a vibrant downtown is important to our community
- A recognition by both parties that while our legal interpretations may differ, they are better resolved through negotiation than litigation
- A preservation of the County's home rule authority
- A specific delegation of powers to the Community Redevelopment Agency for a downtown district if the City agrees to the following:
 - a. 30 year life
 - b. County TIF payment based on 4.5 % property tax growth
 - c. Equalized millage rates
 - d. MSTU reduction
 - e. County representation on the Agency
 - f. Required quarterly meetings of the Agency
 - g. A citizen's Committee to perform 5 year reviews and make recommendations
 - h. County TIF payments limited to costs associated with purchases of land and infrastructure improvements

I hope the Board will endorse this concept so that we might move forward with the City in realizing the full potential of our downtown.

**INTERLOCAL AGREEMENT AMONG THE CITY OF TALLAHASSEE, LEON
COUNTY, AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
TALLAHASSEE REGARDING THE CREATION AND EXPANSION OF COMMUNITY
REDEVELOPMENT AREAS**

This Interlocal Agreement ("Agreement") is made and entered into as of this ____ day of _____, 2004, by and among Leon County, Florida, a charter county and political subdivision of the state of Florida (the "County"), the City of Tallahassee, Florida, a municipal corporation created and existing under the laws of the state of Florida (the "City"), and the Community Redevelopment Agency of the City of Tallahassee, a body politic and corporate created, existing and operating under Part III of Chapter 163 of the Florida Statutes (the "Agency").

RECITALS

WHEREAS, under the authority of Part III of Chapter 163 of Florida Statutes (the "Act"), the City has previously created the Agency, which has the authority under the Act to plan, coordinate, and cause the redevelopment of areas of the City determined under the Act to be "slum or blighted areas"; and,

WHEREAS, the Agency is now implementing "community development plans" for a "community redevelopment area" (as those terms are defined in the Act) known as the "downtown district", and the City may, from time to time, seek to declare other additional areas to be "slum" or "blighted" areas and to cause the agency similarly to implement such "community redevelopment plans" within those "community redevelopment agencies" to address the identified conditions of "slum" or "blight" in those areas; and,

WHEREAS, the County is of the belief and position that neither the City, nor the Agency legally may create or designate and new "community redevelopment area", or exercise powers within the new "community redevelopment area", without first obtaining from the County the specific delegation of powers enumerated in the Act; and,

WHEREAS, the City and the Agency are of the belief and position that the City has the power and authority to create and designate any new "community redevelopment area", and exercise those powers enumerated in the Act, within the new "community redevelopment area" without first obtaining from the County any approval or delegation of powers; and,

WHEREAS, the parties to this Agreement agree that the conflict between the differing legal opinions is better resolved through negotiation and discussion than by litigation; and

WHEREAS, the parties agree that the establishment of Community Redevelopment Areas ("CRA"s) and Tax Increment Financing ("TIF") are effective tools for the redevelopment of slum or blighted areas of the City.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the County, the City and the Agency agree as follows:

Section 1. Recitals.

The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Authority.

The Agreement is entered into pursuant to the powers and authority granted to the parties under the Constitution and laws of the State of Florida, including expressly but not limited to authority of Section 163.01, Florida Statutes, including expressly but not limited to the authority of Section 163.01, Florida Statutes, and the Act.

Section 3. Existing CRA.

a. The parties agree that the existing community redevelopment area created pursuant to City Resolution XXX was properly established.

b. The parties agree that any future modification to the existing CRA, so as to increase boundaries or duration thereof, will require the approval of the County.

Section 4. Authorization of Specified New Community Redevelopment Area

The County delegates to the City all Community Redevelopment Powers contained in the Act for the downtown district (map attached hereto and made a part of "Exhibit A") and the City agrees to the following conditions of the County's specific delegation of authority for the downtown district:

a. The downtown district shall have a duration of no more than (30) years from the date of the City Commission adoption of the downtown district redevelopment plan.

b. The County's TIF payment shall be calculated at a property tax growth rate not to exceed 4.5%.

c. The County's TIF payment shall be paid to the Agency's Redevelopment Trust Fund at an annual rate equivalent to that of the City's ad valorem millage rate in that year.

d. The County's TIF payment shall be calculated annually with a reduction in an amount equivalent to that which would have otherwise been paid by downtown residents for any countywide MSTU.

e. The County will be represented with equal voting weight on the Community Redevelopment Agency.

f. The Agency shall meet at least quarterly.

g. Every five years a citizen committee appointed by the Agency shall convene to review the progress of the downtown district and make recommendations to the Agency.

h. The County's TIF payments shall only be authorized to be expended on costs associated with the purchase of land, and the construction of infrastructure improvements.

Section 5. Procedure for Future CRAs.

The City may propose future CRAs in areas of the City not otherwise specified in this agreement. The City and County shall negotiate the boundaries and the duration of future CRAs and TIFs in good faith, provided that the County TIF payment to the Agency Redevelopment Trust Fund shall never exceed an amount equivalent to that of the City's ad valorem millage rate in that year.

Section 6. Term.

The Interlocal Agreement shall be effective upon execution by all parties and shall terminate upon expiration and dissolution of all City CRAs.